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INTRODUCTION

The information in this chapter is intended to help the Civil Engineering design community through the complete interiors acquisition process for both supplies and services. Supplies are tangible objects that are purchased and put into use. Services involve labor, either assembly, installation, or maintenance, to functionally support a supply item(s). Construction and real property related actions are not included in this discussion. Described are the different methods of acquisition of supplies and services depending upon both quantity and funds type, and the authority governing those processes.

The primary audience for this guide includes MAJCOM and Base Civil Engineer designers. The processes in these guidelines are described from the perspective of Civil Engineering (CE) as the customer, and of CE designers specifying supplies and services on behalf of CE customers. The secondary audience includes all levels of Civil Engineering personnel and their customers who may benefit from a general understanding of the supplies and services acquisition process for design projects.

Acquiring supplies and services is a process governed by Federal, Defense, and Air Force Acquisition Regulations (FAR, DFARS, AFFARS) and Public Law (PL). Together with DoD and Air Force Regulations, Instructions, and Directives as well as Executive Orders, there are over 4,000 documents controlling the acquisition process. The acquisition process depends upon: (1) who the customer is, (2) the source of the item to be acquired, and (3) what type of funds are to be used. In general, all discussions in this document surround the use of Appropriated Funds unless Non-Appropriated Funds are specifically referenced.

Several Federal agencies and Air Force offices are involved in the process. Detailed descriptions of their functions and impacts on the acquisition process are included in this chapter. Many references to applicable regulations, forms and instructions are also included.

While the process may apply elsewhere, the acquisition process and references to supplies and services outlined in this chapter refers to acquisition of interior furnishings, fixtures and equipment for completion of post-construction portions of a design projects. Some examples are:

- desks, and other freestanding furniture
- chairs
- file cabinets
- decorative artwork

- artificial plants
- systems furniture
- area carpets
- lounge and dormitory furniture
- lighting fixtures
- specialty seating
- window coverings
- appliances not supplied under housing BPAs
- specialty filing and storage systems
- accessories such as trash receptacles, pamphlet racks, display boards
- any installation/maintenance of the above

GOVERNMENT PROCUREMENT – GENERAL

The following elements are involved in the acquisition of interior finishes and furnishings:

1. The Customer

The “customer” is the entity who holds the funds for acquiring goods and services. CE may be the customer, or the customer may also be a customer of CE using CE design services. Knowing who the customer is will also be the key for knowing which type of funds will be used. The customer can be a MAJCOM office, an installation office, or any subordinate organization of those entities. While a project designer may be responsible for any specifications or other descriptions necessary to complete the description portion of an acquisition form, the “customer” must, in all cases, complete customer information on any forms (e.g. the accounting information and signature portions of AF Form 9, DD Form 1348-6, AF Form 2005). The customer is also the entity who must work with Supply or Contracting to complete an acquisition action.

2. Source: The Primary Agencies and Offices

The federal agency that handles contracting for supplies and services for all federal agencies is the General Services Administration (GSA). GSA negotiates all contracts with private sector businesses, also known as “vendors,” and is the clearinghouse for all agency surplus, also known as “excess,” under the Federal Excess Delivery System (F.E.D.S.) program. Contracts with private businesses include, in catalog form, all supplies and services offered at a “government rate.” Federal Supply Schedules (FSS) are the lists GSA compiles of similar products offered by various vendors. The catalogs, together with the Schedules, comprise the Federal Supply System.

GSA now offers access to all their supply contracts online through *GSA Advantage!* at <http://www.fss.gsa.gov> via IMPAC purchase for orders up to \$2,500, and MIPR for larger purchases. Agencies, including those within the Department of Defense, may order directly from GSA without going through their contracting offices. This “advantage” came about after the elimination of the maximum order limitation that had been mandated by the FAR; the determination by GSA that the maximum nationwide discounts had been achieved by this program; and, assurances that the opportunities and means to make purchases thoroughly meet all FAR, DFARS, and AFFARS requirements.

The signing authority for an installation has the ability to obligate and spend funds under the new simplified acquisition guidelines for purchases up to \$100,000.

Within the Department of Defense (DoD), the Air Force has two primary offices authorized to handle procurement and contracting for supplies and services not available through *GSA Advantage!*. The Operational Contracting office at your base, referred to as Contracting, is, by all laws and regulations, the sole negotiator and signatory authority for all base contracts for commodities, services, and construction acquisition involving the use of Appropriated Funds (APF). The Air Force Non-Appropriated Funds Purchasing Office (AFNAFPO), strictly negotiates contracts for Non-Appropriated Funds (NAF) purchases.

3. Funds Types

Appropriated Funds (APF) are Congressionally apportioned in the Federal Budget process and are closely monitored. When “spending” appropriated funds other than through *GSA Advantage!*, the customer should involve the Supply and Contracting communities to ensure compliance with all documents controlling the acquisition process especially for purchases over the \$2,500 “micro-purchase” limit defined in FAR Part 2.101. APF customers can still purchase supplies from Federal Supply Schedule resources through Base Supply, from special local contracts called Blanket Purchase Agreements (BPAs), and can also team with Contracting to purchase supplies and services competitively or, in some cases, from a sole source. Normally, purchases over \$100,000 must be made through a competitive process and must involve Supply or Contracting. The goal remains to obtain the best price possible for the Government.

Non-Appropriated Funds (NAF) are profits generated from the different services offered to agency personnel by internal resources. Examples include:

- Army and Air Force Exchange Service store
- Officer and Enlisted club system
- Bowling center, skills center, golf clubs
- Commissary profits

The NAF process, because funding is from profits, operates more as a private sector business. NAF customers can purchase from NAF catalogs and NAF Purchasing Agreements (NPAs) and can also purchase from FSS catalogs and schedules and APF contracts. NAF purchasers are not wholly obligated to follow the FAR-dictated priority order in which supplies and services are acquired.

THE ACQUISITION PROCESS

This overview of the process is discussed in general terms. Further detail is examined under later sections specific to each organization involved. Unless specifically stated otherwise, the following information applies to appropriated funds customers. Discussed are the procedures that are currently available when a customer chooses NOT to take advantage of the GSA online purchase mechanism, “*GSA Advantage!*”

Supply vs. Services

It is important to understand the difference between the acquisition of supplies only, versus acquisition of services whether or not in conjunction with supplies. When acquiring supplies only, the process funnels through the Base Supply system using AF Form 2005 and DD Form 1348-6. Aggregate APF purchases of supplies and services under the FAR Part 13 micro-purchase limit of \$2500 can be made with the customer's I.M.P.A.C.® Visa (FAR 2.101). When services are involved (assembly, installation, maintenance) over the micro-purchase limit, the process is under the purview of Contracting and involves AF Form 9.

For non-appropriated funds customers, acquisition of supplies and services are processed through the AF Non-Appropriated Funds Purchasing Office (AFNAFPO) in San Antonio, Texas, using AF Form 9. Base level NAF offices are responsible for installation service contracts such as wallcovering, carpet, etc. where local labor and local contracts would be used. NAF customers can also use the I.M.P.A.C.® Visa for purchases up to \$2,500 per purchase, paralleling the APF limits. NAF is not restricted by FAR Part 13, however, and that limit can be regulated independently.

General Accounting

In spending appropriated funds for the purchase of supplies, the accounting process has a number of critical components.

First, every installation has an assigned DoD Activity Address Code (AAC) with subordinate organizations assigned an "Org" code and their subordinates assigned a "shop" code. These codes are the mechanisms for identifying organizational funds availability and the customer to whom an obligation belongs.

Second, the primary tracking document for the installation is called the Project Funds Management Record (PFMR). The PFMR provides control of expense and status report data for funds availability and expenses by Organization Cost Center Records (OCCR) for the total PFMR. The OCCR provides control of expenses and status report data for funds availability and expenses by organization.

Every organization, or customer, has a Resource Advisor (RA) who has been trained by Base Supply. The RA is responsible for understanding the complete spending process, including correct completion of the customer information on AF Form 2005, DD Form 1348-6, and AF Form 9, and for tracking all organization incomes and expenditures in coordination with the Accounting and Finance Budget Office via the OCCR and PFMR.

Spending non-appropriated funds differs slightly in that these funds are available only to activities which earn this money, primarily category C revenue generating programs (see AFI 32-1022, Table 3.3) such as the bowling center, golf course, etc. Approvals for spending lie with the installation non-appropriated funds Contracting Officer (CO). The custodian is the NAF Resource Management Flight Chief. Purchases can be made from APF sources. However, the bulk of purchases are made through Air Force Non-Appropriated Funds Purchasing Office (AFNAFPO) on AF Form 9.

The I.M.P.A.C.® Visa

All customers, irrespective of funds type, have access to credit card purchases in the form of an International Merchant's Purchase Authorization Card (I.M.P.A.C.®) Visa, which is "billed" against their OCCR. The I.M.P.A.C.® allows for the purchase of supplies and services up to \$2,500 per transaction in accordance with FAR Part 13 and micro-purchase definition in FAR 2.101. This card is for the circumstance when Base Supply is out of a stocked item, doesn't carry a particular required item, or when the item is in stock yet needs are so urgent that the system cannot respond quickly enough. At some installations, APF customers wishing to make an I.M.P.A.C.® purchase must obtain a control number from their Base Supply officer indicating Base Supply cannot provide the required item. Contact your local supply officer to learn local procedures.

It is of best benefit to the Government if purchases are made from Base Supply or GSA Federal Supply System sources. However, the I.M.P.A.C.® program was designed especially to support urgent need purchases as well as for acquiring items not on a GSA schedule. The I.M.P.A.C.® process has significantly improved the small purchase process and has reduced the amount of separate agreements that Supply and Contracting used to maintain on behalf of their customers.

An I.M.P.A.C.® purchase is governed by the same rules and regulations as other acquisitions. Like any acquisition with spending limits, I.M.P.A.C.® purchases must be "whole." It is improper to purchase a partial order, or to purchase an item that requires a subsequent purchase for operability. For example, charging \$2,500 in one transaction and \$200 in another for an item that requires \$2,700 to make it wholly functional is illegal. Purchase of supplies over \$2,500 must go through Base Supply. Orders over \$2,500 involving services of any level must go through Contracting.

In accordance with FAR 8.001, there is a priority order of eight sources from which appropriated funds customers are required to obtain supplies and four required sources for obtaining services.

*The Process in General***Priority Order for Supply Purchases**

- The first mandatory source for acquiring supplies is from "agency inventory" which, in the Air Force, is managed by Base Supply (LGS). Agency inventory includes new supplies as well as surplus supply items, also known as "excess," which have been turned in by other offices within the agency. Base Supply also secures guaranteed low prices for commonly ordered supply items by means of Blanket Purchase Agreements (BPAs). Generally, a customer can fulfill nearly any supply requirement directly through Base Supply. Although not a requirement, NAF Customers can acquire supplies through Base Supply as well.

TABLE 1: FAR SUB-PART 8.001 – PRIORITIES FOR USE OF GOVERNMENT SUPPLY SOURCES

(1) SUPPLIES

Required Resource	For APF	For NAF
(i) Agency Inventory	YES	NO
(ii) Excess from other Agencies	YES	NO
(iii) Federal Prison Industries (UNICOR)	YES	NO
(iv) Committee for Purchases from the Blind or Severely Disabled	YES	YES
(v) Wholesale Supply Sources (41CFR101)	YES	NO
(vi) Mandatory Federal Supply Schedules	YES	NO
(vii) Optional Federal Supply Schedules	YES	NO
(viii) Commercial Sources	YES	YES

(2) SERVICES

(i) Services available from the Committee for Purchase from People who are Blind or Severely Disabled	YES	YES
(ii) Mandatory Federal Supply Schedules	YES	NO
(iii) Optional Federal Supply Schedules	YES	NO
(iv) Federal Prison Industries Inc.	YES	NO

- The second APF mandatory source is “excess from other agencies.” Other agency excess is managed by GSA. GSA has developed a comprehensive online system for examining and acquiring excess called the Federal Excess Delivery System, or F.E.D.S. Available on a first come, first served basis, this excess is offered to federal agencies first, then to state agencies, city agencies, public institutions, and finally, to the general public. For offices with low budgets, this process can often fulfill requirements with minimum cost. Costs involved are generally related to shipping the acquisition from the excessing office to the acquiring office.
- Federal Prison Industries’ (FPI) UNICOR follows as the next mandatory source. UNICOR offers a comprehensive line of products manufactured by federal prisoners and products supplied through the Federal Prison system. FPI also offers a limited amount of services. This source is required for Government Agency customers. Before proceeding to the next mandatory source, the customer needs a clearance or Letter of Waiver from UNICOR.

There are further discussions about this later in this document. *NOTE: "Government Agency" is an entity that operates with federal funds. NAFs are from profits and are, by definition, not federal funds. While the resource is available to them, NAF Customers are not required to consider UNICOR as a source*

- Fourth is the Committee for the Purchase from People who are Blind or Disabled. The Committee represents a large cross section of organizations who offer goods manufactured by the blind or severely disabled and also offer a growing list of services. The definition for who is affected by this requirement says, "Government, or entity of the Government...including any nonappropriated-fund instrumentality of the Armed Forces." Therefore, both APF and NAF purchasers must use this required resource.
- The wholesale supply sources available through GSA are the fifth mandatory source. GSA offers the equivalent of Base Supply BPAs. GSA contracts offer supplies redundant to Base Supply inventories, but may also include items outside the breadth of supply items commonly used by the Air Force.
- Mandatory and optional Federal Supply Schedules (FSS), in that order, are next in the mandatory priority order for acquiring supplies. For the Department of Defense, the DFARS Sub-Part 208.404-1 supercedes the FAR requirement for mandatory use stating, "The DoD will not be a mandatory user of any schedule unless individual DoD activities elect to provide annual requirements estimates to GSA and become mandatory users." DFARS Sub-Part 208.404-2 Optional Use states, "Make maximum use of the schedules. Other procedures may be used if further competition is judged to be in the best interest of the Government in terms of quality, responsiveness, or cost."
- Commercial sources, or open market, are last in the priority order.

Priority Order – Contracts for Services

As soon as any level of service is required, the Air Force customer should work with the Contracting community. The designer will often have service related questions best answered by a particular service contractor or product vendor offering services in support of their product. Contracting would like to ensure the questions are asked within the confines of all applicable laws. For example, it is unlawful to give a vendor any information leading them to believe they are preferred. It is also unlawful to give a vendor information that would give that vendor an advantage over other vendors in a competitive bidding process. Such actions could end up in a protest filed during bidding, which could significantly delay vendor selection and contract award.

- The first required source of services is the Committee for the Purchase from People who are Blind or Severely Disabled. None of the currently offered services relates to furniture installation or other design related services. However, as this is a required source, your contracting officer will help you fulfill any requirement for documenting any clearances or waivers necessary.

- Next are mandatory Federal Supply Schedules, followed by optional use FSSs. Generally, service contracts have been set up for maintenance of personal property. Your CO can help determine which, if any, of these schedules will be a mandatory source for your order.
- FPI services must be checked before pursuing commercial sources. For example, one of the often-used FPI services is reupholstering. Contracting may have standing contracts for this service.

*Sole Source Purchases and Other Than Full
and Open Competition⁶*

Purchasing from a sole source, in some instances, may be the only option, but it is the most highly scrutinized as well. Sole source is sometimes necessary for a number of reasons: a part for one-of-a-kind equipment; only one manufacturer; or only one company offers a particular service. Other than full and open competition may also apply if there is an urgent and compelling need, or for the uninterrupted continuation of an existing service. If a purchase is believed to fall under these categories, work with your CO to ensure that sole source justification is thoroughly and completely executed. Justifications must be accomplished in accordance with FAR Sub-Part 6.3. The local Contracting office may have more specific information to help with the justification preparation.

*Exceptions to the FAR Part 8.001
Priority Order*

The Supply customer should learn idiosyncrasies of the item(s) being ordered. For example, a lengthy delivery schedule may negatively impact a mission. An option would be to order a substitute with a quicker delivery or get authorization to make an I.M.P.A.C.[®] purchase. For higher dollar items, it may also be necessary to request clearance or a waiver to bypass a portion of the priority order. For APF as well as NAF customers, purchasing and delivery lead times are critical to this process in overseas locations.

Deviance from the priority order must be supported with proper documentation. When, for example, an item is unavailable from a mandatory source, or a required source advises that they are not able to fill the order, or the customer is pursuing a Letter of Waiver from an unqualified source (FAR 8.404-3), each step must be properly documented. These are all reasons why the customer is encouraged to involve their contracting community resources early in the ordering process. Contracting is thoroughly versed in the process for pursuing exceptions.

*Buy American Act and Balance of
Payments Program (Dec. 1991)*

For DOD projects, DFARS Sub-Part 225.1 supercedes FAR Sub-Part 52.225-3 for the Buy American Act as it applies to the acquisition of supplies. The purpose of the Act is to ensure that government money spent is routed back into American businesses that pay taxes to support the government. Procedures while overseas are the same as those in the United States except for instances where the timeliness of the acquisition is critical. There are other possible exceptions. Your Resource Advisor and Base Supply technician or contracting officer are your best sources for understanding any procedures peculiar to your location.

DETAILED DESCRIPTIONS OF SPECIFIC SOURCE OFFICES AND THEIR FUNCTIONS

Base Supply and Contracting

Agency Inventory (Base Supply)

Agency inventory is the mandatory first source for satisfying supply requests for appropriated funds customers. For the most part, every supply item an organization needs which has no requirement for an accompanying service (such as “installation”) is available through Base Supply. The size of an order placed with Base Supply is limited only by the amount of funds available in the OCCR for that Customer. If an organization needs an aircraft wing, for example, at a cost of \$600,000, as long as the Customer has the funds in their OCCR and no services are needed, Base Supply can purchase the wing for them.

Base Supply has access to all Federal Supply Schedule catalogs. Supply maintains inventory only of small, commonly used items purchased through AF and GSA contracts: paper, pens, staplers, etc. Larger commonly ordered supplies, such as side chairs or file cabinets, are tracked by Supply who then coordinates those orders with Contracting. Contracting uses that data to justify the creation of Blanket Purchase Agreements (BPAs) to ensure the best competitive prices for the Base Supply Customer. BPAs can involve Federal Supply Schedule items as well as off-schedule items. They are often used to create opportunities with local and regional resources. An example common to Civil Engineering might be a BPA with Home Depot used to supply Self-Help projects.

Blanket Purchase Agreements

Contracting, on behalf of Base Supply, has the authority to set up multiple Blanket Purchase Agreements up to a threshold of \$100,000 per Agreement. BPA limits vary depending upon the ability of Contracting to establish maximum discounts by accessing knowledge of similar contracts via FACNET (Federal Acquisition Computer NETWORK, see FAR 4.504). FACNET allows Contracting to seek and compare similar contract awards and issuance of orders nationwide to ensure the maximum discounts. Without FACNET capability, Contracting is limited to a maximum BPA of \$50,000. Additionally, FAR Sub-Part 13.103(c) warns in part: “Requirements aggregating more than the simplified acquisition threshold [\$100,000] shall not be broken down into several purchases that are less than the threshold merely to permit use of simplified acquisition procedures.”

The coordination between Supply and Contracting has advantages. There are sometimes opportunities for Contracting to add Base Supply order requirements to an on-going contract, or to a contract being formulated and obtain better pricing more quickly than setting up a new BPA. By the same token, Contracting may identify a customer wanting to purchase items who would be as easily served by an existing BPA.

Contracting can help ensure the proper source is being pursued and the associated documentation is being performed for acquisition of services or combined supplies and services. When Contracting has been involved from the beginning, ensuring all the correct steps have been taken and forms are correctly filled out, the acquisition can sometimes be completed in as little as one day.

Agency Excess (within DoD)

Before any new items are purchased outside the inventory available through Base Supply, it is a FAR requirement to examine all excessed property available. Excessed property is that which was used by another office, installation, or agency, but is either no longer needed or has been replaced. The reality of the past was that these items were chiefly hand-me-down quality items that usually wound up for public sale at the local DRMO. Because of downsizing and closures, this is no longer true. Nearly new office suites are sometimes available from on-base resources. The greatest advantage is that costs for excessed property are generally limited to shipping from the excessing entity to the acquiring office. Those costs are logged against the AAC and org/shop code of the acquiring organization.

Base Supply is the controller of all excess property available on an Air Force installation. The “region depot” Defense Reutilization and Marketing Office (DRMO) will have available all unobligated excess from all AF installations in the area and region from which to choose. The DoD depot in Battlecreek, Michigan, DRMS (Defense Reutilization and Marketing Service), handles DoD agency-wide excess inventory. The DRMO Customer will be responsible for pick-up and transport of claimed excess.

Federal Excess Delivery System (F.E.D.S.)

What is it?

When DoD resources are exhausted, the next source would be “excess from other agencies.” The GSA handles a resource which is now available online for finding agency excess called the Federal Excess Delivery System or “F.E.D.S.” This system lists all excess of all federal agencies, location of the excessed item, description, and phone numbers for obtaining additional information. As in any excess process, items are available on a first come, first served basis. Although every customer can view this excess listing online, access to this inventory is generally achieved through Base Supply, is reserved using the installation’s DoD AAC, and is purchased on Form SF 122 “Transfer Order of Excess Personal Property.”

The type of excess that is available through F.E.D.S. includes a broad spectrum of furniture and equipment. The listing at any point in time includes hundreds of items. An example might be a microstation computer system which, while out of date for the owner, would be of great value to the customer who does not have the budget for such an expensive item. As more and more downsizings and closures occur, nearly new systems furniture encompassing entire office suites are beginning to appear in the F.E.D.S. site.

Federal excess comes from all agencies, including DoD DRMS. The excess is first offered openly to all Federal Agencies. What remains after a set period of time is then available to State agencies, then local municipalities, and finally, to the general public. Review of excess is mandatory. The requirement is not superseded by either DFARS or AFFARS

How Do I Access F.E.D.S. online?

If you have access to the Internet, you can pursue a link to FE.D.S. Begin by linking to <http://www.fss.gsa.gov>. When you reach this screen, select "PERSONAL PROPERTY" from the left column list. You will now see many topics which relate to F.E.D.S. For your first connection to this site, select the title "Introduction" under the SYSTEMS heading in the right hand column. This screen will give a hotlink to USER GUIDE PAGE, which you should select. Scrolling down the Table of Contents you see on the left side you will find a subheading called "Gaining Access." This will explain to you how to get your access information and password. Explore the complete site to see how you may be able to use F.E.D.S.

Federal Prison Industries – UNICOR

"Where Government Shops First."

As their motto implies, products manufactured by FPI under the name UNICOR are the next required source of supply after agency excess. As FPI provides installation services, purchase of their systems furniture must be considered and a waiver obtained before ordering GSA schedule furniture for which service installation contracts must be pursued. There are many "required supplies of the classes listed in the Schedule of Products made in Federal Penal and Correctional Institutions." Furniture is the most predominant category of supplies that is on the required supplies list. UNICOR offers a comprehensive variety of furnishings which meet the usual comprehensive specification and performance requirements that most schedule vendors must meet for systems furniture and chairs as well as for dormitory furniture.

Due to the source of manufacture (prisons), the availability of furniture and other required items, with respect to quantity and delivery schedule, is sometimes hindered. However, before proceeding to the next option, Federal Supply Schedule Vendors, the customer is required to obtain a Letter of Waiver from UNICOR indicating they are unable to handle the order. Contracting is experienced in preparing the request for waiver.

FPI also offers furniture reupholstering and refurbishment services. They offer a fairly complete range of upholstery materials which are widely used on government furnishings. The availability of this service varies, and would require the customer to obtain clearance to proceed to another vendor or service.

The Committee for Purchase from the Blind or Severely Disabled

FAR Sub-Part 8.7 outlines the procedures for implementing the Javits-Wagner-O'Day Act, or JWOD Act, which became effective in February of 1995. The Committee for Purchase from the Blind or Severely Disabled maintains a Procurement List of all supplies and services required to be purchased from JWOD participating non-profit agencies. These agencies are

recognized through the National Industries for the Blind (NIB) and National Industry for the Severely Handicapped (NISH), which has been designated to represent JWOD participating non-profit agencies serving people with severe disabilities other than blindness.

The Committee has a Handbook available which enumerates all products available. The [JWOD web site](#) also references all available supplies and services. Your Contracting Officer can help determine whether the Committee represents products or services which will solve your customer requirements.

General Services Administration

The office within the Federal Government that negotiates supply contracts with private sector contractors is the GSA. GSA maintains these contracts on behalf of all federally funded agencies including the Department of Defense. These manufacturers publish catalogs of their GSA approved inventory, which are available to Customers using either Appropriated or Non-appropriated funds. The manufacturers' names appear on various schedules of supplies which they are approved to sell to federal customers.

Schedule Contractors have expended a great amount of time, effort and money to comply with GSA requirements to have their products approved to be in a GSA catalog and on a [GSA list of Schedule Contractors](#). Consequently, by regulations, these products are to be reviewed for government purchase before any consideration for commercial procurement.

GSA Advantage!

GSA has created an online service for ordering from GSA schedules. This service is called [GSA Advantage!](#) *GSA Advantage!* has been available for the online ordering of GSA schedule items since the spring of 1997. In December 1997 nearly all of the GSA's 120 current FSS catalogs were available online. When entering the site for the first time, first click on the icon for GSA Advantage currently shown in the upper right hand corner of the home page. Use the word "demo" for both the AAC and password. Indicate "yes" when asked if the individual and his address are correct (remember, this is a demo only). Since it is not possible to accidentally order using this entry method, take the time to explore the site in detail. Note that there are many helpful instructions for you, the customer, so that you can understand and use this ordering system. Be sure to download the *GSA Advantage!* Handbook and the Online Ordering Guide.

Authorization to use this system is contained in a letter from the Office of the Under Secretary of Defense dated March 6, 1997. It states: "Among the many improvements, the elimination of schedule maximum order limitations and the new ability to negotiate prices on individual orders without changing the basic schedule price are especially important. Additionally, DoD procurement offices may establish teaming arrangements among more than one schedule contractor to satisfy a requirement allowing even more flexibility and speed in the placement of orders and the delivery of products. *GSA Advantage!*...offers the convenience of on-line ordering, and, in most cases, acceptance of the government credit card."

Purchasing through *GSA Advantage!* can be accomplished not only by government credit card, but also by MIPR for larger purchases. Your Resources Advisor can help you determine your eligibility for an access password, can help you with an I.M.P.A.C.[®] purchase from *GSA Advantage!*, and can help you with accomplishing a MIPR for your larger order. There is a surcharge for using *GSA Advantage!* of about 8%, although that percentage can fluctuate.

Mandatory vs. Optional Schedules

The DFARS Sub-Part 208.404-1 states Mandatory and Optional Schedules in the priority order for acquiring services. Maintenance, repair and/or rehabilitation of personal property schedules are mandatory if there are contracts in effect. All FSS schedules are optional with emphasis on using schedule vendors when doing so represents a savings to the government.

Air Force Non-Appropriated Funds Purchasing Office (AFNAFPO)

AFNAFPO is the singular, international, non-appropriated funds purchasing and contracting authority for all branches of the armed forces. AFNAFPO may set up hundreds of contracts similarly to GSA. NAF purchase requests are filled out by the customer on AF Form 9 and are coordinated with the local area NAF Funds Manager (NAFFM). CE design support may fill out the description portion of AF Form 9 with detailed specifications of the item to be purchased. But, the NAF customer must complete the top and bottom portions similarly to the APF customer. After coordination, either the customer or the FM can forward the request to AFNAFPO.

NAF Priority Process

AFNAFPO also has a priority process through which all NAF purchases are made. This process “was designed to promote the effectiveness of purchasing as a management tool.” This priority process is called the “Commander’s Smart Buy Program (CSBP).” The elements of the program are:

- Nonappropriated Fund Purchasing Agreements (NPAs) – firm fixed pricing agreements
- Catalog Program – comprised of companies having NPAs through AFNAFPO
- Product Bulletin Program – unique buying opportunities arranged with industry
- Consolidated Buys – common requirements consolidated for mass one-time buys
- Trade Show Support – Trade Show discounts generate additional savings over NPAs
- Essential Products (EPP) and Core Products Programs – negotiated single source term contracts
- Construction/Architect & Engineering – contracts to help reduce the time to design, construct and alter NAF facilities.
- Individual Support – AFNAFPO prime purchases on behalf of individual installations

For the first element of the CSBP, AFNAFPO creates Non-Appropriated Funds Purchasing Agreements (NPAs) similar to APF Blanket Purchase Agreements. As with the BPA process, these NPAs ensure best prices nationwide. The

differences lie in what products are available through NPAs, such as furniture for VOQs, VAQs, TLFs, etc. and clubs, golf clothing, sports equipment, and store fixtures. All of the other Smart Buy elements are available to the CE designer via the installation NAFFM who has local information on all Smart Buy elements.

In AFM 64-302, paragraph 3.8.1 discusses the required lead-time for overseas purchases through the CSBP. The customer is advised to put a realistic “not later than” date in the appropriate block of the AF Form 9. (The Services Contracting Officer (SCO) for the installation will help determine the criticality of the need to help formulate a brief justification for expediting an overseas purchase.) Expediting in this case will mean a local purchase instead of waiting for delivery from the continental United States (CONUS).

NAF Projects with APF Construction

When formulating project budgets, the CE designer should meet with their NAF customer and the NAFFM to establish which project elements will be NAF and which will be APF. In accordance with AFI 32-1022, paragraph 3.4, appropriated and non-appropriated funds cannot be mixed without a waiver. However, there are several instances where the NAF project might have a companion APF project and this is not considered a mixing of funds. Therefore, individual elements of a project must be funded by one or the other type of funds, but not by both. For example, APF would replace broken “standard” bathroom fixtures or make the necessary modifications to comply with the Americans with Disabilities Act (ADA). If the fixtures are upgraded for appearance and cost for a NAF interior design project, the upgrade will cause the fixture costs to shift from APF to NAF.

If NAFFM and the customer are to be prepared to support project upgrade costs, the designer should identify these expenses in the NAF budget before the project start-up. The same principle applies to any upgrades (wall finish change from paint to wallcovering, etc.) on a NAF project funded with APF for construction. It is easy to understand how upgrading after the NAF budget is set can easily reduce the NAF amounts planned to be available for project furnishings.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

ACC	Activity Address Code
AF	Air Force
AFFARS	Air Force Federal Acquisition Regulation Supplement
AFMC	Air Force Material Command
AFNAFPO	Air Force Non-Appropriated Funds Purchasing Office
APF	Appropriated Funds
BCE	Base Civil Engineer or Base Civil Engineering
BPA	Blanket Purchase Agreement as authorized by FAR 13.000
CE	Civil Engineer or Civil Engineering
CO	Contracting Officer
CSBP	Commander's Smart Buy Program
DFARS	Defense Federal Acquisition Regulation Supplement
DoD	Department of Defense
DRMO	Defense Reutilization and Marketing Office
DRMS	Defense Reutilization and Marketing Service
EO	Executive Order
FACNET	Federal Acquisition Computer Network, FAR 4.500
FAR	Federal Acquisition Regulation
F.E.D.S.	Federal Excess Delivery System run by GSA
FPI	Federal Prison Industries, manufacturers of UNICOR products
FSS	Federal Supply System or Federal Supply Service
FSS/FBP	Office symbol for the GSA office for Property Utilization and Donations
GSA	General Services Administration

I.M.P.A.C.®	Merchant's Purchase Authorization Card
JWOD	Javits-Wagner-O'Day Act, 1985
LGS	Logistics Supply known as Base Supply
MAJCOM	Major Command
MIPR	Military Interdepartmental Purchase Request, DD Form 448
NAF	Non-Appropriated Funds
NIB	National Industry for the Blind
NISH	National Industry for the Severely Handicapped
NSN	National Stock Number
NTE	Not To Exceed
OCCR	Organization Cost Center Record
PFMR	Project Fund Management Record
PKO	The office symbol for Operational Contracting
UNICOR	See FPI

FIGURE 1 – APPROPRIATED FUND ACQUISITION PROCESS

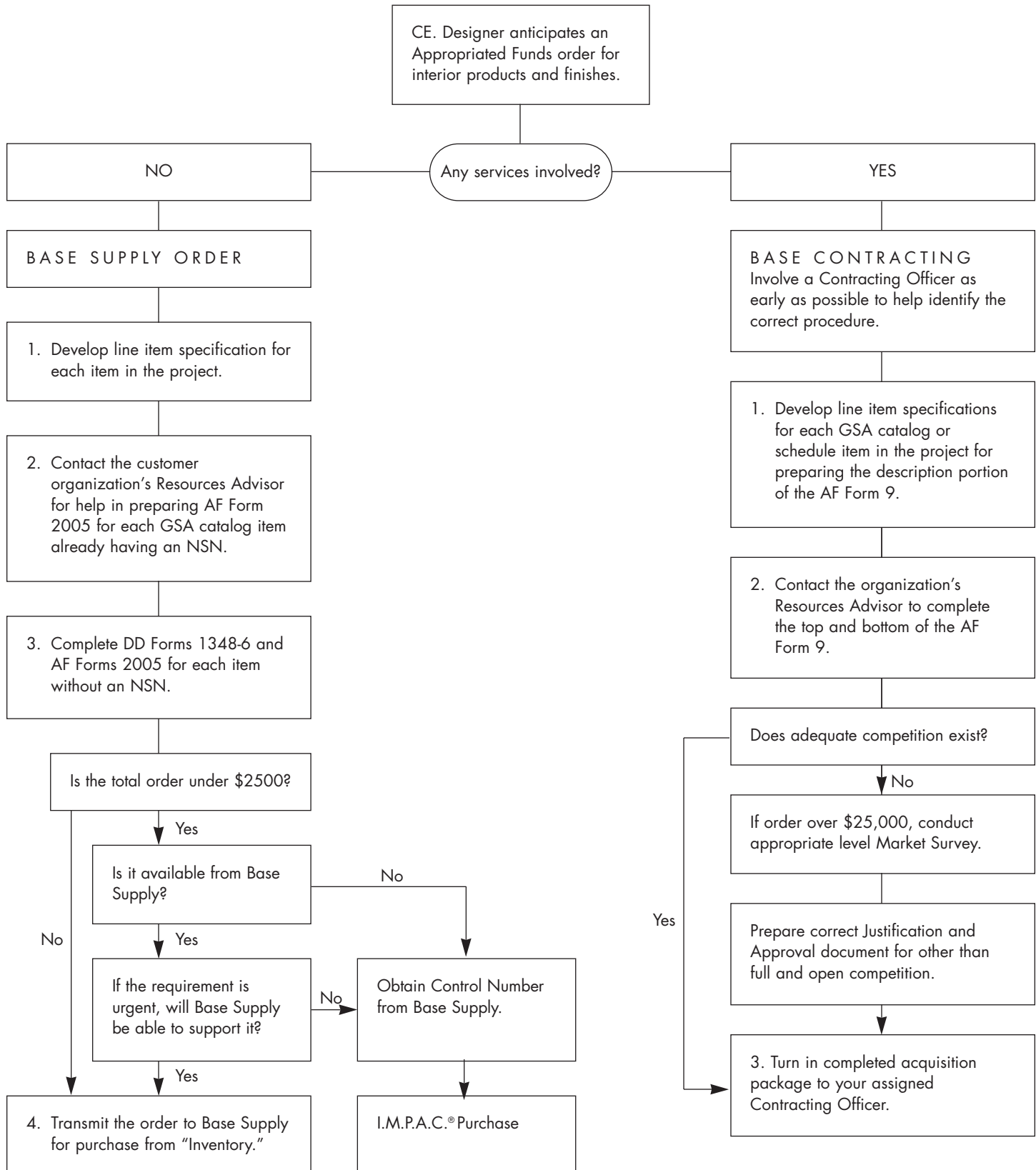
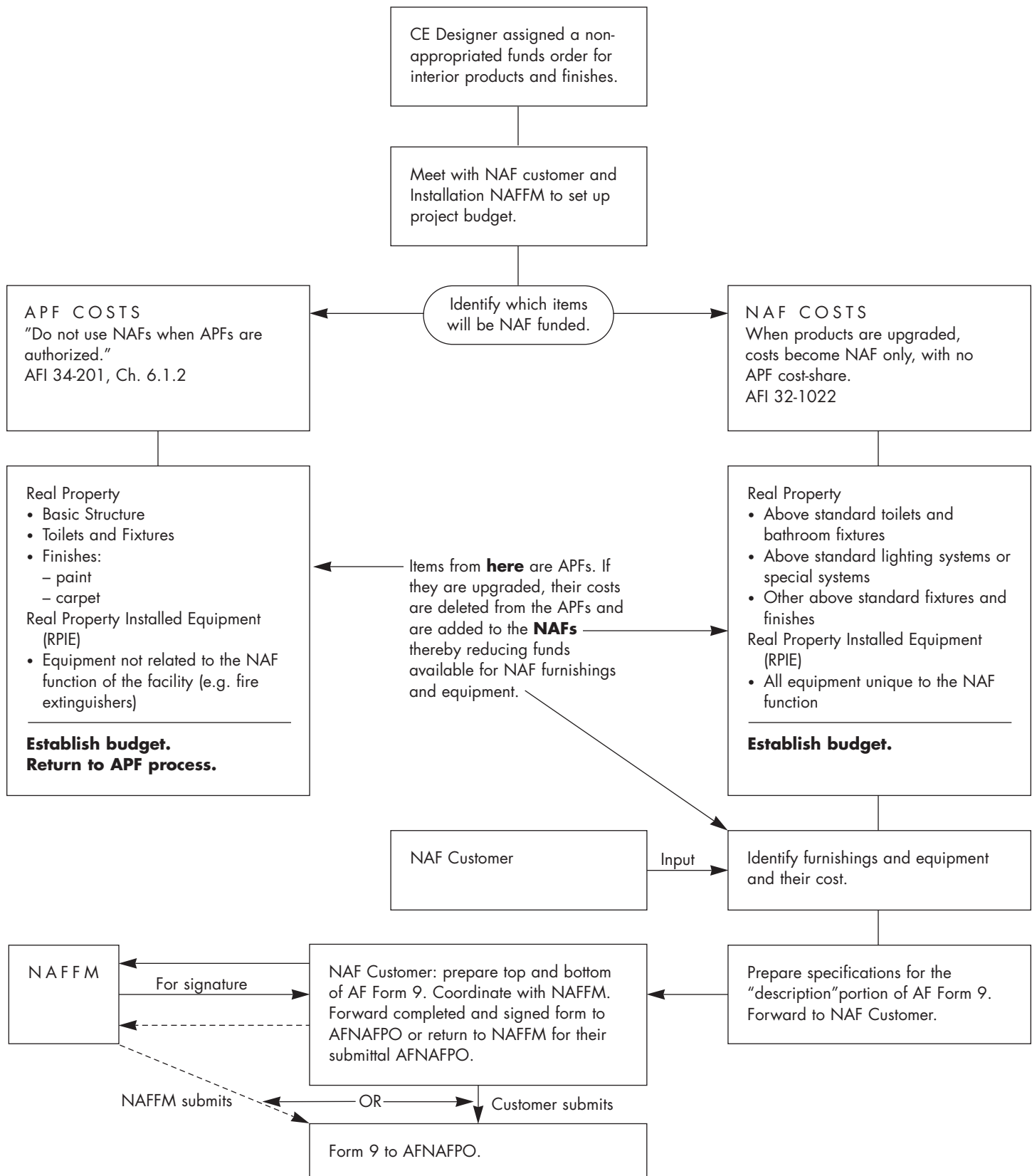


FIGURE 2 – NON-APPROPRIATED FUND ACQUISITION PROCESS



REFERENCES

The following is a list of AF Instructions and Manuals, and other documents which were used to write this guide and are very useful for further information on the subject matter in this guide.

AFI 32-1021	Planning and Programming of Facility Construction Projects
AFI 32-1022	Planning and Programming Non-Appropriated Fund Facility Construction
AFI 32-1023	Design and Construction Standards and Execution of Facility Construction Projects
AFI 32-1031	Operations Management
AFI 32-1032	Planning and Programming Real Property Maintenance Projects using Appropriated Funds
AFI 34-105	Programming for Non-Appropriated Fund Facility Requirements
AFI 34-201, Chap. 6	Use of Non-Appropriated Funds: Real Property and Construction
AFI 34-206	Non-Appropriated Fund Financial Management and Accounting
AFI 34-209	Non-Appropriated Fund Financial Management and Accounting
AFMAN 34-214, Chap. 7	Procedures for Non-Appropriated Fund Financial Management and Accounting: Property
AFI 64-109	Local Purchase Program
AFI 64-302	Non-Appropriated Fund Contracting
AFI 65-106	Appropriated Fund Support of Morale, Welfare, and Recreation and Non-Appropriated Fund Instrumentalities
AFI 65-601	Budget Guidance and Procedures
Brooks AFB	HSC/PKO Customer Guide on How to Conduct a Market Survey
Brooks AFB	HSC/PKO Operational Contracting: AF Form 9 Preparation Guide
Brooks AFB	HSC/PKO: Customer Guide for Proper Preparation of Justification and Approval for Other Than Full and Open Competition
AFNAFPO	AFNAFPO Air Force Non-Appropriated Funds Purchasing Office customer pamphlet

FAR Federal Acquisition Regulation as of February 1998: Various Chapters

DFARS DoD FAR Supplement as of February 1998: Various Chapters
